

2800 Clay Edwards Drive
North Kansas City, MO
64116-3281

June 15, 2017

Ms. Karla Houchins
Program Coordinator
Certificate of Need Program
3418 Knipp Drive, P.O. Box 570
Jefferson City, MO 65102

RE: # 5479 HT Replace Surgical Robot – North Kansas City Hospital

Dear Ms. Houchins:

Enclosed is an application for North Kansas City Hospital's Certificate of Need application to replace a surgical robot. Accompanying the application is a check in the amount of \$2068.00 which represents the application fee of 0.1% of the total project cost.

An electronic version of the application and the check is being sent to you by email on June 15, 2017. A hard copy of the check made out to the Missouri Health Facilities Review Committee is being sent to you by Fed-Ex. You should receive the hard copy on Friday, June 16th.

If you have any questions regarding the application, please contact me at jody.abbott@nkch.org or call me at (816) 691-2087.

Sincerely,

A handwritten signature in black ink that reads "Jody Abbott". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Jody Abbott
Senior Vice President/Chief Operating Officer
North Kansas City Hospital



Certificate of Need Program

EQUIPMENT REPLACEMENT APPLICATION

- Expedited review if equipment to be replaced was CON-approved.
- Full review if equipment to be replaced was not CON-approved.

Project Name: Replace Surgical Robot Project No: 5479 HT

Project Description: Replace Surgical Robot in Main OR with da Vinci Xi model

Done Page N/A Description

Divider I. Application Summary:

- ☒ 2 ☐ 1. Applicant Identification and Certification (Form MO 580-1861).
- ☒ 3 - 7 ☐ 2. Representative Registration (Form MO 580-1869).
- ☒ 8 - 11 ☐ 3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.

Divider II. Proposal Description:

- ☒ 13 ☐ 1. Provide a complete detailed project description.
- ☒ 13 - 16 ☐ 2. Provide a listing with itemized costs of the medical equipment to be acquired.
- ☒ 13 - 16 ☐ 3. Provide bid quotes for the proposed equipment.

Divider III. Community Need Criteria and Standards:

- ☒ 18 ☐ 1. Describe the financial rationale for the proposed replacement equipment.
- ☒ 18 ☐ 2. Document if the existing equipment has exceeded its useful life.
- ☒ 18 ☐ 3. Describe the effect the replacement unit would have on quality of care.
- ☒ 18 - 20 ☐ 4. Document if the existing equipment is in constant need of repair.
- ☒ 21 ☐ 5. Document if the lease on the current equipment has expired.
- ☒ 21 ☐ 6. Describe the technological advances provided by the new unit.
- ☒ 21 ☐ 7. Describe how patient satisfaction would be improved.
- ☒ 21 ☐ 8. Describe how patient outcomes would be improved.
- ☒ 21 ☐ 9. Describe what impact the new unit would have on utilization.
- ☒ 22 ☐ 10. Describe any new capabilities that the new unit would provide.
- ☒ 22 ☐ 11. By what percent will this replacement increase patient charges?

(If replacement equipment was not previously approved, also complete Divider IV below.)

Divider IV. Financial Feasibility Review Criteria and Standards:

- ☐ ☒ 1. Document that sufficient financing is available by providing a letter from a financial institution or an auditor's statement indicating that sufficient funds are available.
- ☐ ☒ 2. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) projected through three full years beyond project completion.
- ☐ ☒ 3. Document how patient charges are derived.
- ☐ ☒ 4. Document responsiveness to the needs of the medically indigent.



Divider I. Application Summary



Certificate of Need Program

APPLICANT IDENTIFICATION AND CERTIFICATION

The information provided must match the **Letter of Intent** for this project, without exception.

1. Project Location (Attach additional pages as necessary to identify multiple project sites.)

Title of Proposed Project Replace Surgical Robot	Project Number 5479 HT
Project Address (Street/City/State/Zip Code) 2800 Clay Edwards Drive North Kansas City, MO 64116	County Clay

2. Applicant Identification (Information must agree with previously submitted Letter of Intent.)

List All Owner(s): <small>(List corporate entity.)</small>	Address (Street/City/State/Zip Code)	Telephone Number
The Board of Trustees North Kansas City Hospital	2800 Clay Edwards Drive North Kansas City, MO 64116	(816) 691-2000
List All Operator(s): <small>(List entity to be licensed or certified.)</small>	Address (Street/City/State/Zip Code)	Telephone Number
North Kansas City Hospital	2800 Clay Edwards Drive North Kansas City, MO 64116	(816) 691-2000

3. Ownership (Check applicable category.)

- | | | | |
|--|--------------------------------------|---------------------------------|--|
| <input type="checkbox"/> Nonprofit Corporation | <input type="checkbox"/> Individual | <input type="checkbox"/> City | <input type="checkbox"/> District |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Corporation | <input type="checkbox"/> County | <input checked="" type="checkbox"/> Other <small>RSMO Sections 96.150 - 96.228</small> |

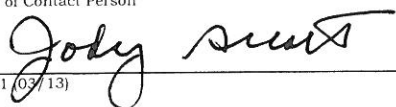
4. Certification

In submitting this project application, the applicant understands that:

- (A) The review will be made as to the community need for the proposed beds or equipment in this application;
- (B) In determining community need, the Missouri Health Facilities Review Committee (Committee) will consider all similar beds or equipment within the service area;
- (C) The issuance of a Certificate of Need (CON) by the Committee depends on conformance with its Rules and CON statute;
- (D) A CON shall be subject to forfeiture for failure to incur an expenditure on any approved project six (6) months after the date of issuance, unless obligated or extended by the Committee for an additional six (6) months;
- (E) Notification will be provided to the CON Program staff if and when the project is abandoned; and
- (F) A CON, if issued, may not be transferred, relocated, or modified except with the consent of the Committee.

We certify the information and date in this application as accurate to the best of our knowledge and belief by our representative's signature below:

5. Authorized Contact Person (Attach a Contact Person Correction Form if different from the Letter of Intent.)

Name of Contact Person Jody Abbott	Title Senior Vice President/Chief Operating Officer
Telephone Number (816) 691-2087	Fax Number (816) 346-7087
E-mail Address jody.abbott@nkch.org	
Signature of Contact Person 	Date of Signature 6/2/17



Certificate of Need Program

REPRESENTATIVE REGISTRATION

(A registration form must be completed for **each** project presented.)

Project Name Replace Surgical Robot	Number 5479 HT
(Please type or print legibly.)	
Name of Representative Alexander Pak, MD	Title Physician
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) Mid-America Heart and Lung Surgeons	Telephone Number (816) 842-3353
Address (Street/City/State/Zip Code) 2790 Clay Edwards Drive, Suite 510, North Kansas City, MO 64116	
Who's interests are being represented? (If more than one, submit a separate Representative Registration Form for each.)	
Name of Individual/Agency/Corporation/Organization being Represented North Kansas City Hospital	Telephone Number (816) 691-2000
Address (Street/City/State/Zip Code) 2800 Clay Edwards Drive, North Kansas City, MO 64116	
<p>Check one. Do you:</p> <p><input checked="" type="checkbox"/> Support</p> <p><input type="checkbox"/> Oppose</p> <p><input type="checkbox"/> Neutral</p> <p>Other Information:</p> <p>_____</p> <p>_____</p>	
<p>Relationship to Project:</p> <p><input type="checkbox"/> None</p> <p><input type="checkbox"/> Employee</p> <p><input type="checkbox"/> Legal Counsel</p> <p><input type="checkbox"/> Consultant</p> <p><input type="checkbox"/> Lobbyist</p> <p><input checked="" type="checkbox"/> Other (explain):</p> <p><u>community physician</u></p>	
<p>I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in § 105.478, RSMo.</p>	
Original Signature 	Date 6-1-17

MO 580-1869 (11/04)



Certificate of Need Program

REPRESENTATIVE REGISTRATION

(A registration form must be completed for **each** project presented.)

Project Name Replace Surgical Robot		Number 5479 HT
(Please type or print legibly.)		
Name of Representative Gerald Park, MD		Title Physician
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) Kansas City Urology Care, PA		Telephone Number (816) 842-6717
Address (Street/City/State/Zip Code) 2790 Clay Edwards Drive, Suite 500, North Kansas City, MO 64116		
Who's interests are being represented? (If more than one, submit a separate Representative Registration Form for each.)		
Name of Individual/Agency/Corporation/Organization being Represented North Kansas City Hospital		Telephone Number (816) 691-2000
Address (Street/City/State/Zip Code) 2800 Clay Edwards Drive, North Kansas City, MO 64116		
<p>Check one. Do you:</p> <p><input checked="" type="checkbox"/> Support</p> <p><input type="checkbox"/> Oppose</p> <p><input type="checkbox"/> Neutral</p> <p>Other Information:</p> <p>_____</p> <p>_____</p>		<p>Relationship to Project:</p> <p><input type="checkbox"/> None</p> <p><input type="checkbox"/> Employee</p> <p><input type="checkbox"/> Legal Counsel</p> <p><input type="checkbox"/> Consultant</p> <p><input type="checkbox"/> Lobbyist</p> <p><input checked="" type="checkbox"/> Other (explain):</p> <p>community physician</p> <p>_____</p> <p>_____</p>
<p>I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: <i>Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in § 105.478, RSMo.</i></p>		
Original Signature 		Date 5/31/17


MO 580-1869 (11/01)



Certificate of Need Program

REPRESENTATIVE REGISTRATION

(A registration form must be completed for **each** project presented.)

Project Name Replace Surgical Robot		Number 5479 HT
(Please type or print legibly.)		
Name of Representative Jody Abbott		Title Senior Vice President/COO
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) North Kansas City Hospital		Telephone Number (816) 691-2087
Address (Street/City/State/Zip Code) 2800 Clay Edwards Drive, North Kansas City, MO 64116		
Who's interests are being represented? (If more than one, submit a separate Representative Registration Form for each.)		
Name of Individual/Agency/Corporation/Organization being Represented North Kansas City Hospital		Telephone Number (816) 691-2000
Address (Street/City/State/Zip Code) 2800 Clay Edwards Drive, North Kansas City, MO 64116		
Check one. Do you: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose <input type="checkbox"/> Neutral		Relationship to Project: <input type="checkbox"/> None <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Legal Counsel <input type="checkbox"/> Consultant <input type="checkbox"/> Lobbyist <input type="checkbox"/> Other (explain):
Other Information: _____ _____		_____ _____
<p>I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: <i>Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in § 105.478, RSMo.</i></p>		
Original Signature 		Date 6/2/17

MO 580-1869 (11/01)



Certificate of Need Program

REPRESENTATIVE REGISTRATION

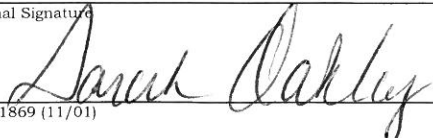
(A registration form must be completed for each project presented.)	
Project Name Replace Surgical Robot	Number 5479 HT
(Please type or print legibly.)	
Name of Representative Sara Coslet	Title Director, Nursing - Hospital Surgery
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) North Kansas City Hospital	Telephone Number (816) 691-1334
Address (Street/City/State/Zip Code) 2800 Clay Edwards Drive, North Kansas City, MO 64116	
Who's interests are being represented? (If more than one, submit a separate Representative Registration Form for each.)	
Name of Individual/Agency/Corporation/Organization being Represented North Kansas City Hospital	Telephone Number (816) 691-2000
Address (Street/City/State/Zip Code) 2800 Clay Edwards Drive, North Kansas City, MO 64116	
Check one. Do you: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose <input type="checkbox"/> Neutral	Relationship to Project: <input type="checkbox"/> None <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Legal Counsel <input type="checkbox"/> Consultant <input type="checkbox"/> Lobbyist <input type="checkbox"/> Other (explain):
Other Information: _____ _____	
I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: <i>Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in § 105.478, RSMo.</i>	
Original Signature Sara Coslet	Date 5/31/17

MO 580-1869 (11/01)



Certificate of Need Program

REPRESENTATIVE REGISTRATION*(A registration form must be completed for **each** project presented.)*

Project Name Replace Surgical Robot		Number 5479 HT
<i>(Please type or print legibly.)</i>		
Name of Representative Sarah Oakley		Title Vice President, Nursing/CNO
Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other) North Kansas City Hospital		Telephone Number (816) 691-2094
Address (Street/City/State/Zip Code) 2800 Clay Edwards Drive, North Kansas City, MO 64116		
Who's interests are being represented? <i>(If more than one, submit a separate Representative Registration Form for each.)</i>		
Name of Individual/Agency/Corporation/Organization being Represented North Kansas City Hospital		Telephone Number (816) 691-2000
Address (Street/City/State/Zip Code) 2800 Clay Edwards Drive, North Kansas City, MO 64116		
Check one. Do you: <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose <input type="checkbox"/> Neutral		Relationship to Project: <input type="checkbox"/> None <input checked="" type="checkbox"/> Employee <input type="checkbox"/> Legal Counsel <input type="checkbox"/> Consultant <input type="checkbox"/> Lobbyist <input type="checkbox"/> Other (explain):
Other Information: _____ _____		_____ _____
<p>I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: <i>Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in § 105.478, RSMo.</i></p>		
Original Signature 		Date 6/1/2017

MO 580-1869 (11/01)



Certificate of Need Program

PROPOSED PROJECT BUDGET

Description

Dollars

COSTS:*

(Fill in every line, even if the amount is "\$0".)

- | | |
|--|----------------|
| 1. New Construction Costs *** | _____ |
| 2. Renovation Costs *** | _____ |
| 3. Subtotal Construction Costs (#1 plus #2) | _____ |
| 4. Architectural/Engineering Fees | _____ |
| 5. Other Equipment (not in construction contract) | _____ |
| 6. Major Medical Equipment | _____ |
| 7. Land Acquisition Costs *** | _____ |
| 8. Consultants' Fees/Legal Fees *** | _____ |
| 9. Interest During Construction (net of interest earned) *** | _____ |
| 10. Other Costs *** | _____ |
| 11. Subtotal Non-Construction Costs (sum of #4 through #10) | _____ |
| 12. Total Project Development Costs (#3 plus #11) | _____** |

FINANCING:

- | | |
|---|----------------|
| 13. Unrestricted Funds | _____ |
| 14. Bonds | _____ |
| 15. Loans | _____ |
| 16. Other Methods (specify) | _____ |
| 17. Total Project Financing (sum of #13 through #16) | _____** |

- | | |
|--|-------|
| 18. New Construction Total Square Footage | _____ |
| 19. New Construction Costs Per Square Foot ***** | _____ |
| 20. Renovated Space Total Square Footage | _____ |
| 21. Renovated Space Costs Per Square Foot ***** | _____ |

* Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs.

** These amounts should be the same.

*** Capitalizable items to be recognized as capital expenditures after project completion.

**** Include as Other Costs the following: other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care, determined by original cost, fair market value, or appraised value; or the fair market value of any leased equipment or building, or the cost of beds to be purchased.

***** Divide new construction costs by total new construction square footage.

***** Divide renovation costs by total renovation square footage.



Intuitive Surgical, Inc.
1266 Kifer Road
Sunnyvale, CA 94086
877-408-dVRC (3872)

Taking surgical precision beyond the limits of the human hand™

Quote Details

Quote ID	79323.0
Quote Date	3/6/2017
Valid Until	3/15/2017
Sales Rep	Lisa Spoonhour
Phone Number	1(913) 284-1866
Email	Lisa.Spoonhour@intusurg.com

Company Information

Hospital Name	North Kansas City Hospital
NS ID / IDN Affiliation	13464/Heartland Health
Address	2800 Clay Edwards Dr
City, State, Zip	North Kansas City, MO, 64116-3281
Contact Name	
Telephone	

Please Fax all Purchase Orders to: 408-523-2377

Items

Part Number	Qty	Item	Price	Subtotal
da Vinci Systems				
	1	da Vinci® Xi™ System One (1): da Vinci® Xi™ System Surgeon Console One (1): da Vinci® Xi™ System Patient Cart One (1): da Vinci® Xi™ System Vision Cart da Vinci® Xi™ System Documentation including: User's Manual For System User's Manual for Instruments and Accessories One (1) da Vinci® Xi™ Cleaning & Sterilization Kit Two (2) da Vinci® Xi™ Instrument Release Kit (IRK) da Vinci® Xi™ System Software Instrument and Accessories including: Accessory Starter Kit Two (2): Box of 6: 8 mm Bladeless Obturator One (1): 8 mm Blunt Obturator Four (4): Box of 10: 5 mm - 8 mm Universal Seal Four (4): 8 mm Cannula Three(3): Monopolar Energy Instrument Cord Three(3): Bipolar Energy Instrument Cord One (1): Box of 3: da Vinci® Xi™ Gage Pin Three(3): Instrument Introducer One(1): Box of 10: Tip Cover for Hot Shears™ (MCS) One (1): Pmed Cable, Covidien ForceTraid ESU Drapes Two (2): Pack of 20 da Vinci® Xi™ Arm Drape One (1): Pack of 20 da Vinci® Xi™ Column Drape Vision Equipment: Two (2): da Vinci® Xi™ Endoscope with Camera, 8 mm 0 degree Two (2): da Vinci® Xi™ Endoscope with Camera, 8 mm 30 degree Four(4): da Vinci® Xi™ Endoscope Sterilization Tray Training Instrument Starter Kit One (1): Large Needle Driver One (1): ProGrasp™ Forceps One (1): Maryland Bipolar Forceps One (1): Hot Shears™ (Monopolar Curved Scissors) One (1): Tip-Up Fenestrated Grasper One (1): Mega™ SutureCut™ Needle Driver (all kits subject to change without notice)	\$1,900,000.00	\$1,900,000.00
da Vinci System Upgrades				
	1	da Vinci® Xi™ Skills Simulator Equipment List: One (1) Skills Simulator Unit One (1) Blue Fiber Cable One (1) Audio Cable Warranty 1 Year from Acceptance Date If customer has enabled OnSite™ on its da Vinci Surgical System, then for a three (3) year period after shipment of the da Vinci Xi™ Skills Simulator ("Xi Simulator"), customer is entitled to receive all software updates that are made without cost to other customers of the Xi Simulator. Any software upgrades, enhancements, or updates that are made generally available to other Xi Simulator customers for a fee will be offered to customer at Intuitive's then-current list prices. Failure to enable OnSite may delay or prevent Intuitive from providing any upgrades, updates, or enhancements for the Xi Simulator to customer.	\$85,000.00	\$85,000.00

	1	da Vinci® Xi™ Integrated Table Motion Upgrade Upgrade includes: - Table Connection hardware module for patient cart - Integrated Table Motion software Upgrade Note: Integrated Table Motion requires connection to a Trumpf Medical TruSystem 7000dV operating table for feature use. The TruSystem 7000dV operating table is sold and serviced by Trumpf Medical.	\$75,000.00	\$75,000.00
Freight				
	1	System Freight - Central (AR, IA, IL, KS, LA, MN, MO, ND, NE, OK, SD, TX, WI)	\$8,000.00	\$8,000.00
Total				\$2,068,000.00

Service				
Part Number	Qty	Item	Price	Subtotal
	1	da Vinci Year One System Service (Included in System Fee unless an amount is listed)	\$0.00	\$0.00
	1	da Vinci® Xi™ dVComplete Care Plan (single console) Years 2-5, per year	\$154,000.00	\$154,000.00

Leasing Terms
Leasing options are available through Intuitive Surgical or another designated financier on systems and select upgrades. Please contact your Intuitive representative for additional details.

Terms and Conditions

<p>1) System Terms and Conditions:</p> <p>1.1 A signed Sales, License, and Service Agreement ("SLSA") or equivalent is required prior to shipment of the System(s). All site modifications and preparation are the Customer's responsibility and are to be completed to the specification given by Intuitive Surgical prior to the installation date. Delivery is subject to credit approval. Payment terms are net 30 days from Intuitive Surgical's invoice date. Each System includes the patient side cart, vision cart, and surgeon console(s). System enhancements required to support new features may be purchased at Intuitive Surgical's then current list price. The price of the da Vinci® Surgical System includes the initial installation of the System at Customer's facility and a one (1) year warranty for manufacture defect. All taxes and shipping charges are the responsibility of the Customer and will be added to the invoice, as appropriate.</p> <p>1.2 Intuitive makes no representation with regard to Certificate of Need requirements for this purchase. It is your (the Customer's) responsibility to determine whether this purchase complies with your State's Certificate of Need laws and what Certificate of Need filing, if any, needs to be made with regard to this purchase.</p> <p>1.3 Customer acknowledges that the cleaning and sterilization equipment, not provided by Intuitive, is required to appropriately reprocess da Vinci instruments and endoscopes. Please refer to the Reprocessing Instructions Part #557085. Customer is responsible for ensuring that its' cleaning and sterilization program comply with all health and safety requirements.</p> <p>2) System Upgrade Terms and Conditions:</p> <p>2.1 A signed Purchase Order and/or an addendum to the existing Sales, License, and Service Agreement ("SLSA") is required prior to shipment of the System upgrade. All site modifications and preparation are the Customer's responsibility and are to be completed with the specification given by Intuitive Surgical prior to the installation date.</p> <p>2.2 Payment terms are net 30 days from Intuitive Surgical's invoice date. The price includes: the System upgrade, the initial installation at Customer's facility and a one (1) year warranty for manufacture defect. All taxes and shipping charges are the responsibility of the Customer and will be added to the invoice, as appropriate. Delivery is subject to credit approval and inventory availability. Standard shipping terms are FCA from Intuitive Surgical™ warehouse. A \$9.95 handling charge will be applied for any shipments using a customer designated carrier.</p> <p>3) I&A Terms and Conditions:</p> <p>3.1 To place an order, please fax Purchase Order to Intuitive Surgical Customer Service at 408-523-2377 or submit through the Global Health Exchange (GHX). Payment Terms Net 30 Days from invoice date. Delivery is subject to credit approval by Intuitive Surgical. Estimated 2-Day standard delivery. Standard shipping terms are FCA from Intuitive Surgical™ warehouse and are subject to inventory availability. Pricing is subject to applicable shipping costs and taxes. Pricing is subject to change without notice. A \$9.95 handling charge will be applied for any shipments using a customer designated carrier.</p> <p>4) Return Goods Policy :</p> <p>4.1 All returns must be authorized through Intuitive Surgical Customer Service, please call 800-876-1310 to obtain a Return Material Authorization Number (RMA#). All items must be accompanied with valid RMA# for processing and are requested to be received within 14 days of issuance or the RMA could be subject to cancellation. Intuitive Surgical will prepay for the return of the defective instruments. Upon identification of a defective instrument, please call Intuitive Surgical Customer Service within 5 business days. Prior to returning to Intuitive Surgical, items must be cleaned and decontaminated in accordance with the then current local environmental and safety laws and standards. For all excess inventory returns, items are required to be in the original packaging with no markings, seals intact, and to have been purchased within the last 12 months. Package excess returned inventory in a separate shipping container to prevent damage to original product packaging.</p> <p>5) Exchange Goods Policy :</p> <p>5.1 Repairs to Endoscope, Camera Head and Skills Simulators may qualify for Intuitive Surgical advanced exchange program. Please contact Customer Service or send email to CustomerSupport-ServiceSupport@intusurg.com to obtain information on our current exchange program.</p>

6) Credit Policy :

6.1 Intuitive Surgical will issue credit against original purchase order after full inspection is complete. Credit for defective returns: Intuitive Surgical will issue credit on products based on failure analysis performed and individual warranty terms. For instruments, credit will be issued for the remaining lives, plus one additional life to compensate for usage at the time the issue was identified. Evidence of negligence, misuse and mishandling will not qualify for credit. Credit for excess inventory returns: Excess Inventory returns will be valued at the invoice price less a 15% restocking fee. Original packaging must be unmarked, undamaged and seals intact to qualify for credit. Credit will be issued if the products were shipped less than 12 months prior to return request, the original package is intact and the product is within expiration date. Intuitive Surgical will retain all returned product.

7) Miscellaneous :

7.1 Warranty: Warranties are applied for manufacturing defects. Endoscope, Camera, Simulator, and System upgrades – 1 year warranty. Accessories – 90 day warranty. Instruments: see above for credit.

7.2 Any term or condition contained in your purchase order or similar forms which is different from, inconsistent with, or in addition to these terms shall be void and of no effect unless agreed to in writing and signed by your authorized representative and authorized representative of Intuitive Surgical.

The terms and conditions of this quote, including pricing, are confidential and proprietary information of Intuitive Surgical and shall not be disclosed to any third party without the consent of Intuitive Surgical.

For questions please contact Customer Service at 800-876-1310



Divider II. Proposal Description

Divider II. Proposal Description

1. Provide a complete detailed project description.

North Kansas City Hospital (NKCH) requests Certificate of Need approval to purchase a new da Vinci Xi robotic surgical system to replace the current da Vinci Si model in the Main Operating Room. The new model will allow the hospital to expand current services provided in the thoracic, cardiac, general, urologic, gynecological, and colorectal fields through new technological advancements that are available in the robotics field. The Xi robotic system will allow for more complex surgical cases to be performed.

These advancements in technology allow for improved patient outcomes through the ability to allow multi-quadrant surgical access, surgical visualization, accuracy in port placement, and perform cases, traditionally performed in open fashion, as minimally invasive procedures.

The new Xi robotic system will allow NKCH to stay current in the ever evolving technological advancements in healthcare and allow for advancement in surgical care and case complexity for the patient population NKCH serves.

2. Provide a listing with itemized cost of the medical equipment to be acquired.

Refer to the attached quote for the proposed equipment which includes itemized costs.

3. Provide bid quotes for the proposed equipment.

See explanation above.



Intuitive Surgical, Inc.
1266 Kifer Road
Sunnyvale, CA 94086
877-408-dVRC (3872)

Taking surgical precision beyond the limits of the human hand™

Quote Details

Quote ID	79323.0
Quote Date	3/6/2017
Valid Until	3/15/2017
Sales Rep	Lisa Spoonhour
Phone Number	1(913) 284-1866
Email	Lisa.Spoonhour@intusurg.com

Company Information

Hospital Name	North Kansas City Hospital
NS ID / IDN Affiliation	13464/Heartland Health
Address	2800 Clay Edwards Dr
City, State, Zip	North Kansas City, MO, 64116-3281
Contact Name	
Telephone	

Please Fax all Purchase Orders to: 408-523-2377

Items

Part Number	Qty	Item	Price	Subtotal
da Vinci Systems				
	1	da Vinci® Xi™ System One (1): da Vinci® Xi™ System Surgeon Console One (1): da Vinci® Xi™ System Patient Cart One (1): da Vinci® Xi™ System Vision Cart da Vinci® Xi™ System Documentation including: User's Manual For System User's Manual for Instruments and Accessories One (1) da Vinci® Xi™ Cleaning & Sterilization Kit Two (2) da Vinci® Xi™ Instrument Release Kit (IRK) da Vinci® Xi™ System Software Instrument and Accessories including: Accessory Starter Kit Two (2): Box of 6: 8 mm Bladeless Obturator One (1): 8 mm Blunt Obturator Four (4): Box of 10: 5 mm - 8 mm Universal Seal Four (4): 8 mm Cannula Three(3): Monopolar Energy Instrument Cord Three(3): Bipolar Energy Instrument Cord One (1): Box of 3: da Vinci® Xi™ Gage Pin Three(3): Instrument Introducer One(1): Box of 10: Tip Cover for Hot Shears™ (MCS) One (1): Pmed Cable, Covidien ForceTraid ESU Drapes Two (2): Pack of 20 da Vinci® Xi™ Arm Drape One (1): Pack of 20 da Vinci® Xi™ Column Drape Vision Equipment: Two (2): da Vinci® Xi™ Endoscope with Camera, 8 mm 0 degree Two (2): da Vinci® Xi™ Endoscope with Camera, 8 mm 30 degree Four(4): da Vinci® Xi™ Endoscope Sterilization Tray Training Instrument Starter Kit One (1): Large Needle Driver One (1): ProGrasp™ Forceps One (1): Maryland Bipolar Forceps One (1): Hot Shears™ (Monopolar Curved Scissors) One (1): Tip-Up Fenestrated Grasper One (1): Mega™ SutureCut™ Needle Driver (all kits subject to change without notice)	\$1,900,000.00	\$1,900,000.00
da Vinci System Upgrades				
	1	da Vinci® Xi™ Skills Simulator Equipment List: One (1) Skills Simulator Unit One (1) Blue Fiber Cable One (1) Audio Cable Warranty 1 Year from Acceptance Date If customer has enabled OnSite™ on its da Vinci Surgical System, then for a three (3) year period after shipment of the da Vinci Xi™ Skills Simulator ("Xi Simulator"), customer is entitled to receive all software updates that are made without cost to other customers of the Xi Simulator. Any software upgrades, enhancements, or updates that are made generally available to other Xi Simulator customers for a fee will be offered to customer at Intuitive's then-current list prices. Failure to enable OnSite may delay or prevent Intuitive from providing any upgrades, updates, or enhancements for the Xi Simulator to customer.	\$85,000.00	\$85,000.00

	1	da Vinci® Xi™ Integrated Table Motion Upgrade Upgrade includes: - Table Connection hardware module for patient cart - Integrated Table Motion software Upgrade Note: Integrated Table Motion requires connection to a Trumpf Medical TruSystem 7000dV operating table for feature use. The TruSystem 7000dV operating table is sold and serviced by Trumpf Medical.	\$75,000.00	\$75,000.00
Freight				
	1	System Freight - Central (AR, IA, IL, KS, LA, MN, MO, ND, NE, OK, SD, TX, WI)	\$8,000.00	\$8,000.00
Total				\$2,068,000.00

Service				
Part Number	Qty	Item	Price	Subtotal
	1	da Vinci Year One System Service (Included in System Fee unless an amount is listed)	\$0.00	\$0.00
	1	da Vinci® Xi™ dVComplete Care Plan (single console) Years 2-5, per year	\$154,000.00	\$154,000.00

Leasing Terms				
Leasing options are available through Intuitive Surgical or another designated financier on systems and select upgrades. Please contact your Intuitive representative for additional details.				

Terms and Conditions

<p>1) System Terms and Conditions:</p> <p>1.1 A signed Sales, License, and Service Agreement ("SLSA") or equivalent is required prior to shipment of the System(s). All site modifications and preparation are the Customer's responsibility and are to be completed to the specification given by Intuitive Surgical prior to the installation date. Delivery is subject to credit approval. Payment terms are net 30 days from Intuitive Surgical's invoice date. Each System includes the patient side cart, vision cart, and surgeon console(s). System enhancements required to support new features may be purchased at Intuitive Surgical's then current list price. The price of the da Vinci® Surgical System includes the initial installation of the System at Customer's facility and a one (1) year warranty for manufacture defect. All taxes and shipping charges are the responsibility of the Customer and will be added to the invoice, as appropriate.</p> <p>1.2 Intuitive makes no representation with regard to Certificate of Need requirements for this purchase. It is your (the Customer's) responsibility to determine whether this purchase complies with your State's Certificate of Need laws and what Certificate of Need filing, if any, needs to be made with regard to this purchase.</p> <p>1.3 Customer acknowledges that the cleaning and sterilization equipment, not provided by Intuitive, is required to appropriately reprocess da Vinci instruments and endoscopes. Please refer to the Reprocessing Instructions Part #557085. Customer is responsible for ensuring that its' cleaning and sterilization program comply with all health and safety requirements.</p> <p>2) System Upgrade Terms and Conditions:</p> <p>2.1 A signed Purchase Order and/or an addendum to the existing Sales, License, and Service Agreement ("SLSA") is required prior to shipment of the System upgrade. All site modifications and preparation are the Customer's responsibility and are to be completed with the specification given by Intuitive Surgical prior to the installation date.</p> <p>2.2 Payment terms are net 30 days from Intuitive Surgical's invoice date. The price includes: the System upgrade, the initial installation at Customer's facility and a one (1) year warranty for manufacture defect. All taxes and shipping charges are the responsibility of the Customer and will be added to the invoice, as appropriate. Delivery is subject to credit approval and inventory availability. Standard shipping terms are FCA from Intuitive Surgical™ warehouse. A \$9.95 handling charge will be applied for any shipments using a customer designated carrier.</p> <p>3) I&A Terms and Conditions:</p> <p>3.1 To place an order, please fax Purchase Order to Intuitive Surgical Customer Service at 408-523-2377 or submit through the Global Health Exchange (GHX). Payment Terms Net 30 Days from invoice date. Delivery is subject to credit approval by Intuitive Surgical. Estimated 2-Day standard delivery. Standard shipping terms are FCA from Intuitive Surgical™ warehouse and are subject to inventory availability. Pricing is subject to applicable shipping costs and taxes. Pricing is subject to change without notice. A \$9.95 handling charge will be applied for any shipments using a customer designated carrier.</p> <p>4) Return Goods Policy :</p> <p>4.1 All returns must be authorized through Intuitive Surgical Customer Service, please call 800-876-1310 to obtain a Return Material Authorization Number (RMA#). All items must be accompanied with valid RMA# for processing and are requested to be received within 14 days of issuance or the RMA could be subject to cancellation. Intuitive Surgical will prepay for the return of the defective instruments. Upon identification of a defective instrument, please call Intuitive Surgical Customer Service within 5 business days. Prior to returning to Intuitive Surgical, items must be cleaned and decontaminated in accordance with the then current local environmental and safety laws and standards. For all excess inventory returns, items are required to be in the original packaging with no markings, seals intact, and to have been purchased within the last 12 months. Package excess returned inventory in a separate shipping container to prevent damage to original product packaging.</p> <p>5) Exchange Goods Policy :</p> <p>5.1 Repairs to Endoscope, Camera Head and Skills Simulators may qualify for Intuitive Surgical advanced exchange program. Please contact Customer Service or send email to CustomerSupport-ServiceSupport@intusurg.com to obtain information on our current exchange program.</p>
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6) Credit Policy :

6.1 Intuitive Surgical will issue credit against original purchase order after full inspection is complete. Credit for defective returns: Intuitive Surgical will issue credit on products based on failure analysis performed and individual warranty terms. For instruments, credit will be issued for the remaining lives, plus one additional life to compensate for usage at the time the issue was identified. Evidence of negligence, misuse and mishandling will not qualify for credit. Credit for excess inventory returns: Excess Inventory returns will be valued at the invoice price less a 15% restocking fee. Original packaging must be unmarked, undamaged and seals intact to qualify for credit. Credit will be issued if the products were shipped less than 12 months prior to return request, the original package is intact and the product is within expiration date. Intuitive Surgical will retain all returned product.

7) Miscellaneous :

7.1 Warranty: Warranties are applied for manufacturing defects. Endoscope, Camera, Simulator, and System upgrades – 1 year warranty. Accessories – 90 day warranty. Instruments: see above for credit.

7.2 Any term or condition contained in your purchase order or similar forms which is different from, inconsistent with, or in addition to these terms shall be void and of no effect unless agreed to in writing and signed by your authorized representative and authorized representative of Intuitive Surgical.

The terms and conditions of this quote, including pricing, are confidential and proprietary information of Intuitive Surgical and shall not be disclosed to any third party without the consent of Intuitive Surgical.

For questions please contact Customer Service at 800-876-1310



Divider III. Community Need Criteria and Standards

Divider III. Community Need Criteria and Standards

1. Describe the financial rationale for the proposed replacement equipment.

North Kansas City Hospital has lost revenue from robotic colorectal surgery with an 84% decrease in surgical procedures performed from 2015 to 2016. Colorectal surgeons have taken their cases to other facilities which provide the Xi robot.

Urological and general surgeons have expressed the desire to perform surgery with the Xi robot. Losing surgical cases associated with these two specialties would further impact the fiscal state of the operating room.

2. Document if the existing equipment has exceeded its useful life.

The existing robot at North Kansas City Hospital has not exceeded its useful life but it is limited in its functionality. The new Xi robot possesses new capabilities that the current Si model lacks and provides superior maneuverability over the current model.

3. Describe the effect the replacement unit would have on quality of care.

The new platform offers the ability to perform multi-quadrant surgery without having to reposition the robot or the draped, anesthetized patient leading to decreased surgical time and increased patient safety. The new instrumentation associated with the Xi platform is also smaller in diameter allowing for smaller port insertion and incision sites for the patient.

4. Document if the existing equipment is in constant need of repair.

See the following maintenance history.

da Vinci Surgery Community

Cynthia Davis

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To 10/08/2016

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EVENT DATE	Field Service Order #	System Serial # *	SERVICE REQUEST DESCRIPTION	Status	Inquiry
05/16/2016	0750177497	SH1465	Preventive Maintenance replacement of the ERBE generator completed. System tested and verified as ready for use.	Final Closed	
06/23/2016	0750182077	SH1465	Preventative Maintenance completed. System tested and verified as ready for use.	Final Closed	
08/05/2016	0750188053	SH1465	Reported problem corrected through Phone Fix.	Final Closed	
05/16/2016	0750179153	SH1465	Part replaced to correct reported problem. System tested and verified as ready for use.	Final Closed	
06/03/2016	0700251029	SH1465	Reported By: Laura Contact Information: Same as Reported By Symptom: Silver cable wrapped on ECM Customer reported that there is a silver cable wrapped around the ECM setup joint, I had them send a picture to confirm the issue. After looking at picture, informed customer that everything looked normal.	Final Closed	
08/01/2016	0700260386	SH1465	Reported By: Laurie TBD Caller ID 1-816-691-2000 Contact information: Same as Reported By Symptom: Non recoverable error during procedure. Customer power cycled the system to recover the error. System homed without errors and is working as designed. Phone Fix.	Final Closed	

<< < 1 > >> Go to page: Row count:

Showing 1-6 of 6

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[RMA Request](#)
[How to Return Product](#)
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da Vinci Surgery Community

Cynthia Davis

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EVENT DATE	Field Service Order #	System Serial # *	SERVICE REQUEST DESCRIPTION	Status	Inquiry
03/22/2017	0750212000	SH1465	SRS provided customer reprocessing training for SPD on Si Multi-Port per ISI reprocessing instructions. SRS provided customer reprocessing training for SPD on Si Stapler 45 per ISI reprocessing instructions. *** The user should refer to the reprocessing instructions for full details regarding cleaning, disinfection, and sterilization of da Vinci EndoWrist Instruments, Accessories, and Endoscopes. The methods of sterilization and the parameters listed are the manufacturers' recommendation. Sterility is the responsibility of the person/institution performing sterilization. ***	Final Closed	
12/13/2016	0750202905	SH1465	FE could not reproduce reported problem. System tested and verified as ready for use.	Final Closed	
12/08/2016	0750200499	SH1465	Preventative Maintenance completed. Parts replaced to correct problems found during PM. System tested and verified as ready for use.	Final Closed	
12/05/2016	0700281463	SH1465	Reported By: Penny- 816-691-1760 Contact Information: Same as Reported By Symptom: Non- Recoverable 32030 Error when connecting Stapler	Final Closed	
03/01/2017	0750206916	SH1465	Service performed to correct reported problem. No part replacement required. System inspected, tested and verified as ready for use.	Final Closed	
01/25/2017	0750207475	SH1465	Reported problem corrected through Phone Fix.	Final Closed	
02/13/2017	0700294026	SH1465	Reported By: Ryan Luecke Contact Information: 949-599-5685 Symptom: CSR reported during procedure stapler motor pack made a different sound than normal. le line was completed successfully. Onsite logs did not reflect any stapler related errors. TSE requested site advance exchange stapler motor pack. Site will follow up to create RMA. Issue resolved, Phone fix.	Final Closed	

<< < 1 > >> Go to page: 1 Row count: 10

Showing 1-7 of 7

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[Advance Exchange](#)
[Advance Exchange History](#)
[Service History](#)
[Service Plans](#)
[Report Complaint](#)
[Contract Status/Systems](#)

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[RMA Request](#)
[How to Return Product](#)
[I&A Return History](#)

Orders

[How To Order](#)
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5. Document if the lease on the current equipment has expired.

The equipment is owned by the hospital.

6. Describe the technological advances provided by the new unit.

The new overhead boom allows for multi-quadrant surgery without repositioning of the patient or robot during the surgical procedure. Range of motion of the Xi arms is improved over the Si platform increasing outer yaw from 336 degrees to 504 degrees, outer pitch from 149 degrees to 177 degrees and insertion axis range of motion improves from 11.5 inches to 13.5 inches.

The field of vision is increased from 60 degrees to 80 degrees and there is no need to perform 3D calibrations, white balancing, or focus the endoscopes. The new design of the Xi arms allows for the camera to “port hop” from arm to arm in contrast to the Si where the camera is limited to only one arm.

Advancement with instrumentation, associated with the new platform, allows for both monopolar and bipolar cauterization which was not available with the previous model.

7. Describe how patient satisfaction would be improved.

Patients will be able to take comfort in their surgery being performed by their surgeon, at their facility of choice, using the latest technological advancement available to treat their condition.

Patients will also experience decreased pain associated with minimally invasive surgery and shorter recovery time.

North Kansas City Hospital will be able to offer a larger service line associated with robotic surgery and more clinically complex surgeries that are not currently being performed with the existing robotic system.

8. Describe how patient outcomes would be improved.

Robotic surgery improves patient outcomes by:

- Lowering rates of complications, blood loss, and transfusions
- Decreasing intensive care unit length of stay and hospital stay in general
- Reducing hospital readmission rates
- Reducing risk of surgical site infection
- Decreasing postoperative pain levels
- Minimizing scarring from smaller incisions
- Increasing patient satisfaction

9. Describe what impact the new unit would have on utilization.

The Xi robot would allow North Kansas City Hospital to perform more clinically complex surgeries in the specialty fields of thoracic, cardiac, colorectal, and urology. It will also allow for the retention of the current client base North Kansas City Hospital serves.

10. Describe any new capabilities that the new unit would provide.

The new Xi platform allows surgical procedures typically performed in an open procedure fashion to be performed as a minimally invasive procedure. Minimally invasive surgery is the surgery of choice because it elicits improved patient outcomes.

11. By what percent will this replacement increase patient charges?

Patient charges will not be impacted.